RESPONSE
Examiner: **HAMILTON, Lalita M**

Serial No. 09/696,193
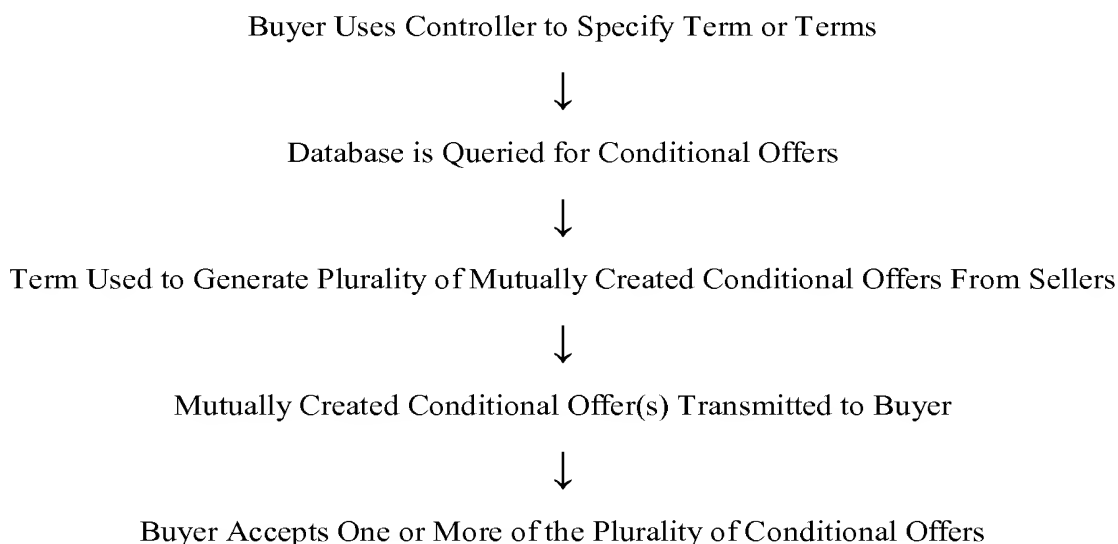Atty. Docket No.: 29606.010200

REMARKS/ARGUMENTS

Claims 1-5 are pending in the application. Claims 1-5 stand rejected under 35 U.S.C. 103(a) over U.S. Patent No. 6,336,105 ("Conklin") in view of U.S. Patent No. 6,510,418 ("Case"). Applicant respectfully traverses all rejections.

The process of the presently claimed invention begins with the controller allowing the buyer to specify, via an electronic network, at least one term consisting of minimum quantities the buyer would agree to purchase, minimum qualities the buyer would accept, the minimum length of time to which the buyer would agree to be bound to purchase the minimum quantities containing the minimum qualities, and the maximum or minimum price the buyer would pay. Based upon the buyer's specification of that term or terms, a database is queried and a plurality of mutually created conditional original sales offers from a corresponding plurality of sellers are generated. Each of these mutually created original sales offers includes at least that term specified by the buyer and at least one term specified by one of the sellers, the latter being different than that term specified by the buyer. One or more of the conditional original sales offers are transmitted to the buyer. The buyer then accepts, via the network, one or more of the conditional original sales offers.

Thus, the system allows the Buyer who seeks to receive goods or services to act much like a *seller* does in a conventional e-commerce system. In relevant part, the presently claimed process operates as follows:

Buyer Uses Controller to Specify Term or Terms

↓

Database is Queried for Conditional Offers

↓

Term Used to Generate Plurality of Mutually Created Conditional Offers From Sellers

↓

Mutually Created Conditional Offer(s) Transmitted to Buyer

↓

Buyer Accepts One or More of the Plurality of Conditional Offers

The invention as summarized above and as recited in Claim 1 includes the step of "generating a <u>plurality of</u> mutually created conditional original <u>sales offers</u> to the buyer from a corresponding <u>plurality of sellers</u>."

In contrast, Conklin specifies a system wherein a single buyer makes *one offer* to a *specific seller* to which the seller replies. See, e.g. Conklin, FIG. 7, 525-550 wherein a buyer makes an offer to a single seller. See also Conklin, col. 23, line 27-28 "participant 08 proposing terms to *another participant*" (emphasis added). See also the claims of Conklin, wherein every independent claim refers only to a first user and a second user. The Case reference does not disclose the step of presenting a single buyer with multiple offers from multiple sellers. See, e.g., Case at Col. 4 lines 18-23 wherein buyers submit offers *to sellers*. Claim 1 of the present invention was previously amended to clarify that the plurality of conditional original sales offers generated by the system are offers *to a single buyer*. In other words, one buyer receives multiple offers from corresponding multiple sellers.

Importantly, the present application provides that the invention <u>generates</u> a plurality of offers. For example, see present application at FIG. 2, 350-542. Using terms and conditions which sellers are willing to meet and which are present in the invention's database, <u>offers are generated</u> by the invention. During the initial offer phase in the present invention, the invention matches a buyer's criteria to terms already posted by sellers to generate a plurality of offers. In this respect, claim 1 is amended to clarify that a database is queried for relevant conditional sales offers that match a term specified by said buyer. Support for that amendment may be found, e.g., in Applicant's FIG. 2, and Page 16 lines 12-17. The database is queried for matching terms in order to generate mutually created original offers. Thus, the invention, in effect, creates a neutral automated auction wherein sellers blindly compete with one another in a bid to capture new customers in a coldly competitive environment by entering in competing terms <u>in advance</u> of the buyer's initial query.

In contrast, Conklin does not provide for an offer from the seller to be generated using parameters stored on the system's database. The parties participate through direct negotiations in Conklin. See, e.g., Col. 13 line 58 - Col. 14 lines 4 wherein the buyer proffers and the seller evaluates and responses. The initializing event occurs when a participant proposes terms to another participant, thereby creating a communications path between terminals at which the participants are active. See, e.g., Col. 23 line 25-33. Likewise, in Case, the offers are provided directly from a buyer or their agent. See, e.g., Col. 3 lines 16-17, and Col. 5 lines 8-11.

Note that, in these references, buyers may initiate negotiations directly with sellers by either proposing or requesting offers. Afterwards, the sellers must respond. In the present invention, however, the controller permits sellers to submit conditional sales offers in advance. See Page 9 lines 1-4 of Applicant's specification. The database that stores the conditional sales offers is then queried to generate mutually created original offers. Conklin and Case, however, fail to teach or suggest querying a database in order to generate offers. The steps of querying and generating offers based upon buyer's terms distinguishes the present invention from the cited references. Those references do not implement an auction wherein multiple sellers compete regarding a single buyer inquiry of a database of sellers' conditional sales offers.

Claim 1 has been amended in the above respect. In particular, the following wherein clauses have been added: "wherein said controller allows sellers to specify, via an electronic network, conditional sales offers said sellers would agree to be bound to sell, and wherein said controller stores said conditional sales offers in a database." Support for this amendment can be found, e.g., in Page 9 lines 1-4 of Applicant's specification. In addition, the claim has been amended, as discussed above, to clarify that the database is queried for relevant conditional sales offers that match a term specified by said buyer in order to generate mutually created original offers, as depicted in Applicant's FIG. 5. The cited references neither teaches nor suggests the querying or the generating steps. Therefore, Claim 1 is distinguished from Conklin and Case.

The cited references are also distinguished from the present invention because there are particular distinctions inherent between the dealings of the transacting parties. The references include a set purchase price in the buyer's proposed offers. In Conklin, the buyer proposes offers that include all desired terms. See Col. 13 lines 62-65. Similarly, in Case, the buyer's offer terms include a purchase price. See, e.g., Col. 10 lines 5-6. In the present invention, however, the buyer specifies certain terms that the buyer would accept. While such provisos might appear to be an initial offer, the terms cannot be considered as a true offer because the Buyer cannot be held bound to the terms. To bind the Buyer, an offer must include a set price. Here, the Buyer merely specifies a maximum and minimum price that the Buyer would pay. In addition, the Buyer retains the ability to explore multiple offers by either rejecting the sellers' offers or changing the originally declared terms. See Page 6 lines 11-15 of the Applicant's specification. Because it is understood or/and agreed that Buyer won't be bound, a potential seller cannot simply accept the specified terms to bind the Buyer.

RESPONSE
Examiner: **HAMILTON, Lalita M**

Serial No. 09/696,193
Atty. Docket No.: 29606.010200

Accordingly, the multiple sellers must proffer bids that include the essential price term. This is a newly proposed term because it was never specified by Buyer. Hence, the term is a conditional term because the Buyer must now accept the new term in order to be bound. Such bids are true offers because they include all of the terms that are essential to a transaction. Note that even if the Buyer's original terms was incorrectly interpreted as a valid offer, then a seller's presentation of the new term would have to be considered as a counteroffer which the Buyer must accept. The point to remember is that under the structure of the present invention the Buyer has the sole power to both initiate a search for sellers' offers and to accept any offer that matches the Buyer's terms.

Furthermore, it should be apparent that the Buyer does not simply put out request for bids that sellers may then respond to by providing offers. Although the Buyer's terms may seem to be set out as requests for bids from potential sellers, the Buyer is actually searching through a database that stores terms that the sellers have already proffered. Therefore, the sellers are not responding to a typical request for bids by directly communicating with a requesting buyer. Instead, they are competing by blindly entering bindable terms into a database. The responsive mutually created offers are generated, as discussed above in detail, as the database is queried based upon buyer's specified terms. The Buyer does not wait for sellers to respond. Because the Buyer may query for offers and accept any mutually created offer, the present invention provides that necessary steps for conducting a truly buyer-driven transaction.

The cited references fail to teach or suggest a system which includes a database of conditional sales offers that are binding as to the sellers while the buyer is bound only upon acceptance. The above claim limitations including the querying and generating steps are significant. Without these steps, the references results in systems wherein the buyer does not have the power to conduct buyer-driven and buyer-executed transactions by making a final decision to be bound after receiving all or substantially all of the terms of sale. In Case, the seller accepts buyer's offers; and, then the buyer is notified of being bound by the acceptance. *See* Case, Col. 9, lines 36-44, and Fig. 8. The conditional purchase offer taught in Case is binding on the buyer because the buyer, at the time of offer, commits to paying his offer price if a seller accepts the offer. *See* Case, Col. 4, lines 49-51. Similarly, Conklin teaches that a seller accepts a buyer's offer. *See* Conklin, Col. 30, lines 48-49. In contrast, the presently claimed system empowers the buyer, not the sellers, to make the final decision to be bound.

It is well established that, in order to show obviousness, all limitations must be taught or suggested by the prior art. In Re Royka, 180 U.S.P.Q. 580, 490 F.2d 981 (CCPA 1974); MPEP § 2143.03. It is error to ignore specific limitations distinguishing over the references. In Re Boe, 184 U.S.P.Q. 38, 505 F.2d 1297 (CCPA 1974); In Re Saether, 181 U.S.P.Q. 36, 492 F.2d 849 (CCPA 1974); In Re Glass, 176 U.S.P.Q. 489, 472 F.2d 1388 (CCPA 1973). Accordingly, independent Claim 1 is patentable over Conklin in view of Case.

Claims 2-5 each depend directly from independent Claim 1. As is set forth in detail above, Claim 1 is patentable over Conklin in view of Case. The Court of Appeals for the Federal Circuit has consistently held that where a claim is dependent upon a valid independent claim, the dependent claim is a fortiori valid because it contains all the limitations of the independent claim plus further limitations. *See, e.g.*, Hartness Intern. Inc. v. Simplimatic Engineering Co., 819 F.2d 1100, 1108 (Fed. Cir. 1987). Applicant reasserts the arguments above for each of claims 2-5, respectfully requests that the rejections thereof be withdrawn in view of the patentability of the independent claim from which they depend.

CONCLUSION

Having responded to all objections and rejections set forth in the outstanding Office Action, it is submitted that claims 1-5 are in condition for allowance and Notice to that effect is respectfully solicited. In the event that the Examiner is of the opinion that a brief telephone or personal interview will facilitate allowance of one or more of the above claims, the Examiner is courteously requested to contact applicant's undersigned representative.

The Commissioner is authorized to charge any additional fees associated with this filing, or credit any overpayment, to Deposit Account No. 50-2638. If an extension of time is required, this should be considered a petition therefore.

Respectfully submitted,

/Richard E. Kurtz/Reg. #33,936

Richard E. Kurtz, Reg. No. 33,936
Attorney for Applicant

Filed: June 17, 2008

GREENBERG TRAURIG
1750 Tyson's Boulevard, Suite 1200
McLean, VA 22102
(703) 749-1330
E-mail: kurtzr@gtlaw.com